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PRESS RELEASE

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MIGDEN'S PROPOSED INTERNET SALES TAX MAY NOW GET GOVERNOR DAVIS' SUPPORT

PROPOSED LAW WILL INCREASE REVENUE TO THE STATE AND REDUCE THE BUDGET DEFICIT

San Francisco, CA- Chair of the Board of Equalization and Former Assemblywoman Carole Migden (D-San Francisco) applauds the revival of a bill on a sales tax for internet purchases that Governor Davis may now support. This would show a marked shift in his past stance on this issue. Chairwoman Migden led the effort to bring forward a plan for such taxes while in the Assembly two years ago. While Migden's legislation passed the legislature in 2000, the Governor vetoed it. State Senator Dede Alpert (D-San Diego) introduced the current legislation this past Wednesday, January 29.

Migden praised Governor Davis' shift by stating, "It is only fair that a purchase made on-line would be taxed in a similar fashion as the exact same purchase made in a bricks-and-mortar store. This will add tens of millions of dollars to the budget at a critical time. We need to ensure that critical social services can continue during this fiscal climate."

"A few companies are manipulating the law to avoid paying taxes. It is simply unfair for these businesses to avoid tax collecting," said Lenny Goldberg the Executive Director of the California Tax Reform Association.

The sales tax would only apply to California residents and would only be charged when your online or catalog purchase is from a business that has a nexus in California—for example, a physical presence, store, warehouse or payroll.

"I look forward to the prospect of this legislation passing and getting the Governor's signature this time," said Migden.